

IN TEXTILE PRODUCTS

EURATEX Position Paper



Summary

EURATEX, representing the European Textile and Apparel Industry, wishes to contribute to the EPR policy making debate by stressing several positive and downside aspects, which should be considered where EPR are introduced. While the choice of introducing an EPR scheme for textiles lays with each of the EU Member States, EURATEX recommends:

- 1. EPR should be designed to support circularity
- 2. EPR should value different Textiles
- 3. EPR should solve real problems
- 4. No contradictions in EPR schemes for textiles across the EU
- 5. There should be agreement for 1 single Eco-modulation concept
- 6. EPRs scheme should not bear detrimental unintended consequences
- 7. EPR should enable CE through cooperation and shared responsibility

What is an EPR?

"Extended Producer Responsibility" (EPR) is an approach to ensure that producers contribute financially to the costs of waste management; it thus can also be an economic instrument to stimulate better design to reduce such costs. EPR obliges producers to take operational or financial responsibility for the end-of-life phase of their products¹. In the EU the 2018 updated version of the Waste directive introduces minimum requirements for the Member States to establish EPRs where they see it fit.

Most of the currently running EPRs were designed in a linear economy models, as far as 30 years ago and run in several sectors as packaging, vehicles, electrical and electronic equipment. EPRs have, therefore, gained some support based on experiences in value chains which are different from the textile one.

It is therefore not proved that EPRs are fit for purpose and the appropriate policy tool to boost circular economy and the broader sustainability across the textile value chains. This requires thorough consideration of the possible benefits, limits and unintended consequences.

^{1.} SWD(2019) 91 final, 4.3.2019



If implemented, an EPR scheme applied to textile products should:

1. Be designed to support circularity

Existing EPRs were all designed in a linear economy model which is no longer pursued. EPRs should focus on enabling circularity for textiles, addressing potential bottlenecks². The pressure generated by EPRs should reward sustainable productions, the revenues generated should focus on the transition³ to the circular economy and new organizational models.

2. EPR should value differences in textile products

Textile products offer a wide variety which differs for applications, materials, technical features, requirements, business models (product as service - rental use, second-hand sells etc.), current and future potential for circularity.

For many textile products, no sufficient information appears available to quantify the impact of EPR or assess costs/benefits. More information on the progress of technology, investment plans, R&D projects should be acquired to appreciate what end-of-life options may exist for different type of textiles.

Textiles produced in controlled value chains or simply designed present higher chances to be treated or recycled (the so called "low hanging fruits"). Complex textile products as PPE (Personal Protective Equipment) which must follow tight requirements, special chemicals coating etc. offer little or no opportunity for recycle or simple design with the current available technologies⁴.

3. Help solving real problems

Solving problems requires a common understanding on what are the current barriers to widespread use of circularity in textiles, on what are the costs of industrial transition towards circular economy and what are the necessary organizational changes. Newly designed EPR should not only focus on waste management costs, as this may support local or short-term needs but it would miss the bigger goal of enabling circularity in line with the Green Deal and the Sustainable Development Goals.

^{2.} EURATEX elaborates on bottlenecks across the textile value chain in the strategy Prospering in Circular Economy 2020.

^{3.} Examples of EPR-funds supporting transformation include the WEEE and partially the California Carpet recycling scheme.

^{4.} For example, bedsheets are in general single sheets of fabric, free from specialist chemical treatments, often mono fibre hence easier to recycle. Fire fighter suits are highly elaborated in construction, have special chemical treatments making recycling very challenging.

Collected funds may support managing consortia for waste treatment and create partnerships across the value-chain, research and innovation, eco-design which use recycled materials, design for recyclability, longevity or biodegradability, ensuring stable flows of materials and facilitating data collection and raise consumer awareness.

4. No contradictions across EU in EPR schemes for textiles

EPR should be based on the same common elements as criteria and definitions in all EU Member States. The following points should apply without difference of interpretation across Europe:

- 1. EPRs revenue should finance the same goals, the qualitative objectives should be aligned;
- 2. Eco-modulation fees should be applied in the same way;
- 3. Level playing field should be ensured for every actor of the value chain; makers, distributors, retailers, authorities etc. should have the same responsibilities to avoid market distortions;
- 4. The system should be enforceable, allowing monitoring of implementation, data collection and being fully applicable for imported and on-line sold products;
- 5. SMEs limited capacity should be duly considered;
- 6. Harmonized waste-criteria should be available;
- 7. Flexibility to opt out by using an own-system without however creating loopholes for free-riding;
- 8. Flexibility within a common framework, national needs should still be respected as different interests to participate in PRO⁵, existing systems (if any), different Competent Authorities.

5. There should be an agreement for one single Eco-modulation concept

The Waste Framework directive⁶ stresses the concept of different modulation fees based on durability, reparability, recyclability, chemicals. Based on the progress of the Product Environmental Footprint Category Rules currently under development, the role of, for example PEF or EPDs⁷ in aligning eco-modulation should be considered. To this purpose, critical would be the applicability of the PEF methodologies by SMEs.

A reduced or where appropriate zero eco-modulation fee should be applied for those products for which an appropriate after-life treatment can be proved, notably: designed to be recycled or substantially including recycled materials or extended longevity or biodegradable.

^{5.} Producer Responsibility Organization

^{6.} Art 4 b

^{7.} Product Environmental Footprint (PEF) and Environmental Product Declarations (EPD)



- EPR should avoid contradiction across Europe and distortion in the Single Market;
- EPR should not be an unfair cost and burden for the European SMEs, should not be applied in flat manner to all products, regardless of their environmental performances;
- EPR provisions should avoid free-riding behaviour via, for instance, on-line selling;
- EPR should not create unnecessary bureaucratic structures to manage funds collected:
- EPR should not be detrimental for the 2nd hand clothing which should be preserved in line with the waste hierarchy;
- EPR should not put at risk investments and distract financial resources from textile value chains to other sectors.

7. EPR should enable circular economy through cooperation and shared responsibility

Circular Economy requires partnerships in which the existing barriers to closing the cycle are resolved together, instead of pushing responsibilities. To do so, the EPR should support collaborations aiming at: e.g. enabling flow of info and data, establishing a mutual understanding of circular design, supporting materials pooling, eliminating contradictory rules, linking demand and offer of recycled materials.

About this position paper

Euratex contributes to the policy-making debate with this position paper which is based on the currently available information and on consultation with the Euratex Members. Pursuing a collaborative approach and informed decision making, Euratex acknowledges contributions provided from: European Commission Staff Working Document (2019) 91 final, 4.3.2019 and Circular Economy Action Plan 10.03.2020, Mistra Future Fashion EPR report - 11.2017, Eco-Tlc, the European Environment Agency report on Textiles in Europe's circular economy, position papers and contributions from EuRIC, the Policy Hub, the OECD and other sources. Euratex may release further consideration on EPR in the course of 2020.

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As the voice of the European textile and clothing industry, EURATEX works to achieve a favourable environment within the European Union for design, development, manufacture and marketing of textile and clothing products.

The EU-27 textile and clothing industry, with around 160,000 companies employing 1.5 million workers, is an essential pillar of the local economy across many EU regions. With over € 61 billion of exports, the industry is a global player successfully commercializing high added value products on growing markets around the world.

Working together with EU institutions and other European and international stakeholders, EURATEX focuses on clear priorities: an ambitious industrial policy, effective research, innovation and skills development, free and fair trade, and sustainable supply chains.



